



28 November 2018

Manager Companies  
Market Announcements Office  
Australian Stock Exchange Limited  
Level 4, Stock Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

**AGM Address to Shareholders**

Please find following the Address to Shareholders to be delivered at the CPT Global Limited Annual General Meeting in Melbourne this morning.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Grant Sincock', written over a light blue horizontal line.

Grant Sincock  
Company Secretary

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[www.cptglobal.com](http://www.cptglobal.com)

November, 2018



Fellow Shareholders,

Thank you again for making the time to be here today.

### **2018 Financial Year**

The 2018 financial year was challenging as clients continued to focus on cost and the impacts of client reorganisations around agile working practices continued to be felt. In this environment we were able to grow revenue by 14%, keep our costs down, deliver a \$2.2m turn around in net profit after tax and declare our first dividend since 2014.

The net profit after tax for FY2018 was \$0.8 million compared to a loss of \$1.5 million in FY2017 and is the culmination of 3 years of hard work stabilising and reinvigorating the business and driving performance.

The profit was achieved with strong growth in revenue in North America of 48% and Australia of 5% and the benefit of the reduction in the cost base of our business over the last few years, particularly in Europe and head office. Margins in North America were strong with two profitable risk/reward contracts in progress and we were able to maintain percentage margins on T&M and fixed piece contracts.

Revenue from the Banking & Finance sector grew by 38% in FY2018 and contributed 54% of consolidated revenue. The growth in this sector in Australia declined during the financial year as the industry worked through large transformation programs. This contrasted with the sector in North America where the growth was concentrated in the second half of the financial year. The Government sector grew by 21% in FY2018 and is now our second largest sector with 18% of consolidated revenue. The IT&C sector still represents 14% of consolidated revenue but has declined as major projects were completed and clients focussed on cost reduction.

The improved performance saw net tangible assets grow 313% to \$1.1 million and while cash declined during the year this was mainly due to WIP recognised on risk/reward contracts which is being converted to cash in FY2019. As we currently stand, our cashflow remains adequate and we have financing available to manage our short to medium term cashflow needs.

Our branding refresh was completed during the year with the roll out of our new logo.

### **Vision and Strategy**

We recognise that the FY2018 profit is another step, albeit an important one, along the path to rebuilding the business to deliver on our vision of *"one team delivering sustainable, profitable growth"*. Our focus in FY2019 is maintaining the growth trajectory to put the company in the best position to deliver on our objectives. As profits grow and cash flow improves, we will balance the needs of the business to invest for growth with repairing the balance sheet to reduce debt and build cash reserves.

CPT Global was founded to provide deep technical expertise, help clients deliver outcomes from their technology investments and to drive efficiencies in infrastructure and the IT cost base. C, P and T originated from Capacity Planning, Performance Tuning and Testing. These are the core tenets of who we are and what we do and are just as relevant in today's digital age as clients operate in an environment in which innovation, disruption, digital transformation, speed to market, quality assurance and cost control are driving strategic and operational decision making. In FY2019 CPT will focus on our core



strengths as they are the backbone of why we exist: *we love to solve clients complex technical challenges.*

The six pillars of our strategy in FY2019 are:

1. **Capitalise on existing growth opportunities:** North America and Canberra were our high growth regions in FY2018 and the opportunities and growth have continued into FY2019. Enhancing the sales capacity in Southern, our largest region, and leveraging our expertise in payments modernisation to take advantage of the global move towards near time payments are also areas of potential growth. We are structuring the business and investing to take advantage of these opportunities.
2. **Build on new opportunities in Sydney:** recent changes in the Banking & Finance sector provides us with a significant opportunity to win new clients headquartered in Sydney.
3. **Global practice capability:** as North America grows, we are developing our practice model to better support the business, our consultants and our clients in all our regions and across many time zones. We continually review and adapt our services to meet client demands.
4. **Engagement & communication with our workforce:** CPT is a people business and our people are our greatest strength.
5. **Enhance the CPT brand in the marketplace:** we will significantly expand our presence across social media channels to target our key audience and grow our brand awareness.
6. **Drive business efficiency:** we are looking business wide at how we operate to improve efficiencies and reduce costs.

Projects in Europe and Asia will continue to be undertaken on an opportunistic basis.

Our two greatest strengths are our people and our client base.

CPT consultants average 20+ years in the industry and include world class capacity planning, performance tuning and testing experts with experience across 27 countries. Our permanent versus contractor ratio puts us amongst many leading organisations moving towards an agile, on-demand workforce. This gives us great flexibility to meet client demand in an agile and cost-effective manner.

CPT has a blue-chip client base. We work with some of the biggest names in Australia and Internationally, including many in the Fortune 500. Our focus is on growing within our existing clients and targeting a core group of strategic new accounts.

### **Commercial update**

The momentum we built in North America and with the Federal Government in Australia in FY2018 has continued into the first half of 2019. Demand for our services in the Banking & Finance sector in North America continues to grow and we have expanded services to include payments modernisation and testing. Two risk/reward projects which started in FY2018 are continuing and we expect to move onto new phases of the projects in the second half of the financial year. We don't expect to see growth in the Banking & Finance sector in Australia until the second half of the financial year as clients complete their transformation programs and digest the findings of the Banking Royal Commission. Growth in revenue from the Federal Government is meeting our expectations and the growth should continue through the second quarter. Activity in Asia is picking up and we have started engagements at Industrial and



Commercial Bank of China, the largest bank in the world, and China Merchants Bank.

We have had a strong start to FY2019 with results for the first quarter in line with our expectations and we expect the results for the first half to 31 December 2018 to exceed the net profit before tax of \$0.27 million for the comparative period to 31 December 2017.

Contracts at 2 of our top 3 clients are due for extension by 31 December 2018 and both our risk/reward engagements will complete their current phases before the end of the calendar year and will require extensions to continue to the next phase. While we are confident of extending all four contracts, the scope and budget of these extensions is being negotiated and the outcomes are not yet known. However, subject to the negotiations to extend these contracts and improved trading conditions, we expect the net profit before tax for the second half of FY2019 to exceed the first half of FY2019.

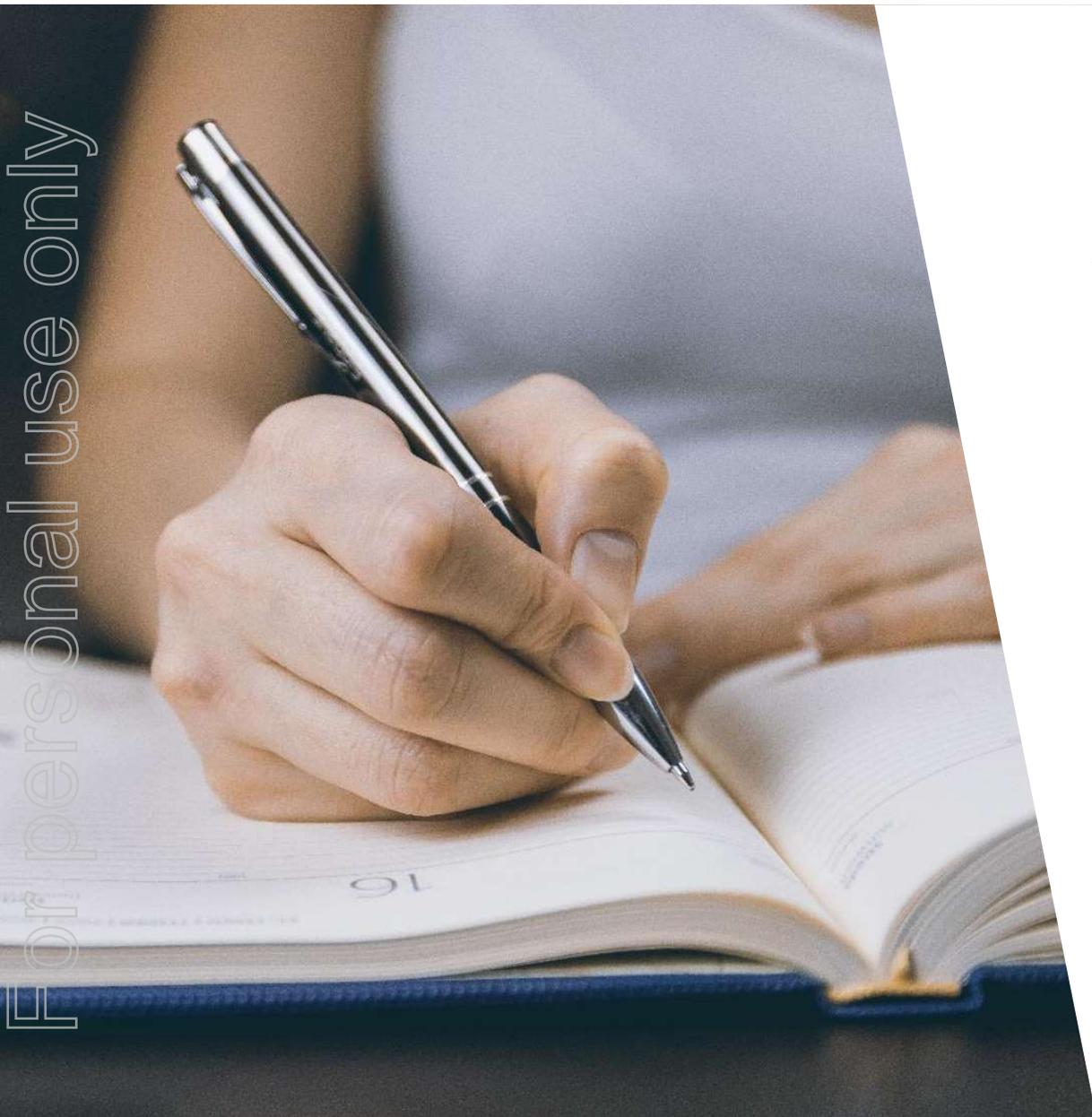
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# 2018 Annual General Meeting

28 November 2018



## Agenda

- Welcome - Chairman
- Address to Shareholders – Chief Financial Officer
- Items of Business

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# Welcome to Shareholders



# Address to Shareholders

## Grant Sincock



# Disclaimer

This presentation contains general information about the activities of CPT Global Limited (CPT) which is current as at 28 November 2018. It is in summary form and does not purport to be complete. It presents financial information on both a statutory basis as well as information provided on a non-statutory basis.

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# 2018 Financial Year



# FY2018 Highlights

CPT returns to profit with a \$2.3 million turnaround on 2017 net profit after tax. Fully franked dividend of 0.25 cents per share paid on 19 November 2018

Statutory results	2018 \$'000	2017 \$'000	Change	
Revenue	<b>31,031</b>	27,159	Up	14%
EBITDA	<b>1,457</b>	- 1,170	Up	225%
Net profit after tax	<b>814</b>	- 1,468	Up	155%
Earnings per share (Basic)	<b>2.18 cents</b>	-3.93c	Up	136%
Cash	<b>1,440</b>	1,656	Down	-13%
Net cash flow	- <b>200</b>	- 1,607	Up	88%
Net assets	<b>5,479</b>	4,625	Up	18%
Net tangible assets	<b>1,177</b>	278	Up	323%
Final dividend (per share)	<b>0.25 cents</b>	-	Up	100%

# FY2018 Highlights

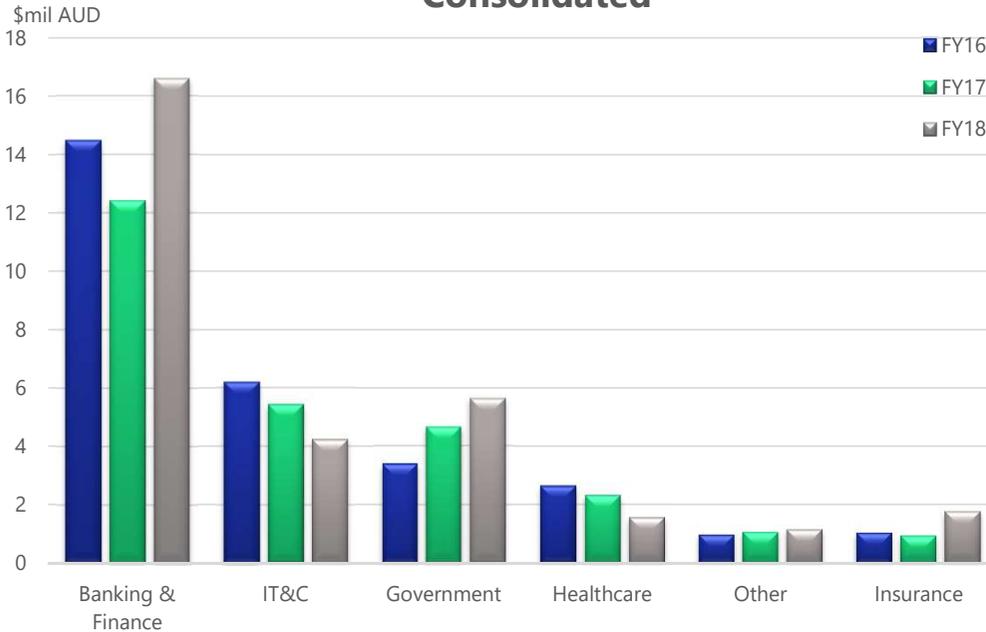
Revenue growth, cost control and margin protection all contributed to the profit

The highlights of the 2018 result were:

- 14% growth in consolidated revenue:
  - North American revenue growing 48%; and
  - Australian revenue growing 5%;
- Europe returned a small operating profit after substantial reductions in fixed costs and a laser focus on a small number of client opportunities;
- cost control and reduction across the Group; and
- incremental revenue growth from digital services and partners.

# FY2018 Revenue by Sector

## Consolidated



## Commentary

- 14% growth in revenue was concentrated in the banking & finance and government:
  - a new risk/reward contract at a New York based global bank worth up to US\$2 million;
  - 41% growth at our largest client in North America, a Canadian telecommunications company;
  - 118% growth in time & materials engagements at a New York based global bank; and
  - 27% growth at our 2<sup>nd</sup> largest client, a Federal Government agency;
- superannuation and insurance are growing sectors with digital consulting and testing services being in demand;
- growth in banking was constrained by transformation programs as the top end of the sector implement agile at scale methodologies;
- the reduction in the IT&C sector is due to the completion of a significant project with a national telecommunications company; and
- margins are stable despite continued pressure across the industry.

# Vision and Strategy

One team delivering sustainable, profitable growth



# Strategy

We are focussing on 6 strategic pillars in 2019

- **Capitalise on existing growth opportunities.**
- **Build on new opportunities in Sydney.**
- **Global practice capability.**
- **Engagement & communication with our workforce.**
- **Enhance the CPT brand in the marketplace.**
- **Drive business efficiency.**

# A selection of CPT's current clients

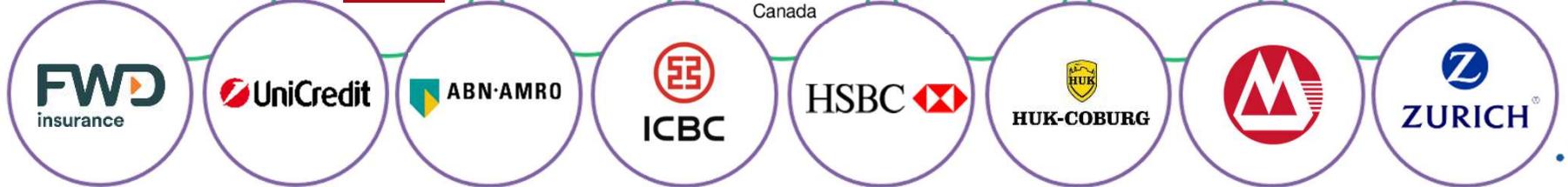
Australia



Americas



Europe & Asia



# What makes CPT special

Our deep expertise, track record, trusted relationships and true dedication to our clients separates us from others

## Global IT experts



CPT has world class capacity planning, performance tuning and testing experts.

Our consultants average 20+ years in the industry.

## Results obsessed



We are obsessed with achieving cost savings and efficiency gains. We are willing to be compensated only by results.

## Trusted partner



CPT are a trusted partner in navigating companies through complex and critical IT and business events.

## Successful Delivery



We have a proven track record with our clients of delivering value in their business terms

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# Commercial update





# FY2019

Subject to market conditions, the turn around in performance is expected to be maintained

- Strong start to FY2019:
  - Q1 in line with our expectations;
  - growth in North America and Canberra;
  - payment modernisation in Canada;
  - activity in Asia picking up; and
  - Melbourne still soft.
- Net profit before tax:
  - first half to 31 December 2018 expected to exceed comparative period (31/12/2017); and
  - second half of FY2019 is expected to exceed the first half of FY2019.
- 2nd half results contingent upon:
  - contract extensions at 2 key clients from 1 January 2019;
  - extensions on 2 risk/reward contracts from 1 January 2019; and
  - Banking & Finance sector in Australia returning to normal trading conditions.

# Business of the Annual General Meeting



# Item 1: Annual Report

Receive and consider the Annual Report, Financial Report and the Reports of the Directors and of the Auditor for the year ended 30 June 2018.

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## Item 2: Remuneration Report

**Resolution 1:** To adopt the Company's remuneration report forming part of the directors' report for the financial year ended 30 June 2018.

Proxies	Votes cast	% of votes cast
For	3,659,184	94.09%
Against	80,608	2.07%
Open votes	149,302	3.84%
Abstain	63,036	N/A
Excluded	9,761,077	N/A

## Item 3: Retirement of director

Mr Alan Baxter is retiring at the conclusion of this AGM having sat on the board since 2011.

*The board, shareholders and employees of CPT thank you and wish you well in retirement.*

## Item 4: Election of director

**Resolution 2:** That Mr Nigel Sandiford, having been appointed a Non-Executive Director of the Company on 1 October 2018 and being required to retire from office in accordance with rule 8.1(d)(1) of the Company's constitution, being eligible and having offered himself for re-election, be elected as a director of the Company.

Proxies	Votes cast	% of votes cast
For	13,479,797	98.35%
Against	18,136	0.13%
Open votes	207,802	1.52%
Abstain	7,472	N/A
Excluded	0	N/A

# Item 5: Approve the CPT Employee Equity Plan

**Resolution 3:** That, for the purposes of ASX listing rules 7.1 and 7.2 Exception 9, section 200B of the Corporations Act (Cth) and for all other purposes, shareholders approve the CPT Employee Equity Plan.

Proxies	Votes cast	% of votes cast
For	3,600,114	87.00%
Against	90,082	2.18%
Open votes	447,802	10.82%
Abstain	2,000	N/A
Excluded	9,573,209	N/A



## Item 6: Cancellation of performance share grants

**Resolution 4:** That the performance share grants approved by members at the 2017 AGM for the achievement of performance objectives in the 2018 and 2019 financial years be cancelled.

Proxies	Votes cast	% of votes cast
For	3,978,588	96.10%
Against	14,500	0.35%
Open votes	146,910	3.55%
Abstain	0	N/A
Excluded	9,573,209	N/A

## Item 7(a) Grant of performance rights to Mr Fred Grimwade

**Resolution 5:** That, for the purpose of ASX listing rule 10.14, sections 200B and 200E of the Corporations Act 2001 (Cth) and for all other purposes, approval is given for the Company to grant to the Company's Chairman, Mr Fred Grimwade, 75,000 Performance Rights under the CPT Employee Equity plan on the terms set out in, and provide Mr Grimwade the benefits described in, the Explanatory Notes to the Notice of Meeting.

Proxies	Votes cast	% of votes cast
For	3,491,402	85.58%
Against	141,493	3.47%
Open votes	446,910	10.95%
Abstain	60,193	N/A
Excluded	9,573,209	N/A

## Item 7(b) Grant of performance rights to Mr Nigel Sandiford

**Resolution 6:** That, for the purpose of ASX listing rule 10.14, sections 200B and 200E of the Corporations Act 2001 (Cth) and for all other purposes, approval is given for the Company to grant to the Company's Non-executive Director, Mr Nigel Sandiford, 75,000 Performance Rights under the CPT Employee Equity plan on the terms set out in, and provide Mr Sandiford the benefits described in, the Explanatory Notes to the Notice of Meeting.

Proxies	Votes cast	% of votes cast
For	3,496,402	85.70%
Against	136,493	3.35%
Open votes	446,910	10.95%
Abstain	60,193	N/A
Excluded	9,573,209	N/A

## Item 7(c) Grant of performance rights to Mr Gerry Tuddenham

**Resolution 7:** That, for the purpose of ASX listing rule 10.14, sections 200B and 200E of the Corporations Act 2001 (Cth) and for all other purposes, approval is given for the Company to grant to the Company's Managing Director, Mr Gerry Tuddenham, 300,000 Performance Rights under the CPT Employee Equity plan on the terms set out in, and provide Mr Tuddenham the benefits described in, the Explanatory Notes to the Notice of Meeting.

Proxies	Votes cast	% of votes cast
For	3,497,473	85.60%
Against	141,493	3.46%
Open votes	446,910	10.94%
Abstain	54,122	N/A
Excluded	9,573,209	N/A

## Item 8: Non-Executive director remuneration

**Resolution 8:** That, for the purposes of ASX listing rule 10.17, the total aggregate remuneration for Non-executive Directors be increased to \$300,000 on the terms set out in the Explanatory Notes to the Notice of Meeting.

Proxies	Votes cast	% of votes cast
For	3,854,015	94.24%
Against	88,636	2.17%
Open votes	146,910	3.59%
Abstain	50,437	N/A
Excluded	9,573,209	N/A

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**Thank you**

